

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**This filing relates to the
Commonwealth, ERS, HTA, and
PBA.**

**REPLY OF THE COMMONWEALTH OF PUERTO RICO, THE EMPLOYEES
RETIREMENT SYSTEM OF THE GOVERNMENT OF THE COMMONWEALTH OF
PUERTO RICO, THE PUERTO RICO HIGHWAYS AND TRANSPORTATION
AUTHORITY, AND THE PUERTO RICO PUBLIC BUILDINGS AUTHORITY TO THE
RESPONSE FILED BY MIRIAM SANCHEZ LEBRON [ECF NO. 21075] TO THE FOUR
HUNDRED SIXTY-FIFTH OMNIBUS OBJECTION (SUBSTANTIVE) TO CLAIMS
FOR WHICH THE DEBTORS ARE NOT LIABLE**

To the Honorable United States District Court Judge Laura Taylor Swain:

The Commonwealth of Puerto Rico (the “Commonwealth”), the Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”), the Puerto Rico Highways and Transportation Authority (“HTA”), and the Puerto Rico Public Buildings Authority

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”, and together with the Commonwealth, COFINA, HTA, ERS, and PREPA, the “Debtors”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

(“PBA,” and together with the Commonwealth, ERS, and HTA, the “Debtors”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as sole Title III representative of the Debtors pursuant to Section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),² file this reply (the “Reply”) to the response [Case No. 17-BK-3283-LTS, ECF No. 21075]³ (the “Response”) filed by claimant Miriam Sanchez Lebron (“Sanchez Lebron”) to the *Four Hundred Sixty-Fifth Omnibus Objection (Substantive) of the Commonwealth of Puerto Rico, the Employees Retirement System of the Government of the Commonwealth of Puerto Rico, the Puerto Rico Highways and Transportation Authority, and the Puerto Rico Public Buildings Authority to Claims for Which The Debtors Are Not Liable* [ECF No. 20796] (the “Four Hundred Sixty-Fifth Omnibus Objection”). In support of this Reply, the Objecting Debtors respectfully represent as follows:

1. On May 18, 2018, Sanchez Lebron filed a proof of claim against the Commonwealth in an undetermined amount, and it was logged by Kroll Restructuring Administration LLC as Proof of Claim No. 17230 (the “Commonwealth Claim”). The Commonwealth Claim asserts liabilities purportedly arising out of Sanchez Lebron’s alleged ownership of land held by the Commonwealth and various municipalities.

2. On May 5, 2020, Sanchez Lebron filed a proof of claim against the PBA in an undetermined amount, logged by Kroll Restructuring Administration LLC as Proof of Claim No. 173831 (the “PBA Claim,” and together with the Commonwealth Claim, the “Sanchez Lebron Claims”). The PBA Claim also asserts liabilities purportedly arising out of Sanchez Lebron’s alleged ownership of land held by the PBA and various municipalities.

² PROMESA is codified at 48 U.S.C. §§ 2101-2241.

³ Unless otherwise stated herein, ECF citations refer to documents filed in Bankruptcy Case No. 17-BK-3283-LTS.

3. The Four Hundred Sixty-Fifth Omnibus Objection sought to disallow, among other claims, the Sanchez Lebron Claims because they seek recovery of amounts for which the Debtors are not liable. Sanchez Lebron contends she owns certain land held by the Commonwealth, PBA, and various municipalities, but the supporting documentation provided with the Sanchez Lebron Claims fails to provide a valid basis for asserting liability against the Commonwealth, PBA, or any other Title III debtor.

4. Any party who disputed the Four Hundred Sixty-Fifth Omnibus Objection was required to file a response by 4:00 p.m. (Atlantic Standard Time) on June 13, 2022 in accordance with the Court-approved notice attached to the Four Hundred Sixty-Fifth Omnibus Objection as Exhibit C, which was served in English and Spanish on the individual creditors subject to the Four Hundred Sixty-Fifth Omnibus Objection, the U.S. Trustee, and the Master Service List (as defined in the *Sixteenth Amended Notice, Case Management and Administrative Procedures* [ECF No. 20190-1]). *See Certificate of Service* [ECF No. 21011].

5. On May 27, 2022, Sanchez Lebron filed the Response. The Response asserts that the “Court of General Justice of Puerto Rico” has not disclosed certain resolutions that would establish Sanchez Lebron’s rightful ownership of land held by the Commonwealth, PBA, and various municipalities, and requests the Oversight Board obtain the allegedly withheld resolutions.⁴ The Response attaches (1) an “Estate Partition and Adjudication Deed,” and (2) a Declaration of Heirs of Eladio Lebrón, filed in Puerto Rico Superior Court, Humacao Division, On June 24, 1955 (the “Resolution”), *see id.* at 10–11. The Resolution, which Sanchez Lebron asserts to be one of three such resolutions (the other two being allegedly withheld), declares,

⁴ To the extent the Response asks this court for an order requiring the Oversight Board to obtain the allegedly withheld resolutions, it fails to provide any basis for such relief, and on that basis the Court should deny the request.

among others, Juana Lebron Perez as Eladio Lebron's heir. Neither the Estate Partition and Adjudication Deed nor the Resolution demonstrate, however, that Sanchez Lebron is the lawful owner of the land she claims.

6. Sanchez Lebron further asserts her "civil and constitutional rights" have been violated, *id.* at 2, but, she has not identified any specific actions taken by the Debtors giving rise to such a claim, and accordingly, she has not established a basis for any recovery in respect of these violations. Accordingly, to the extent the Sanchez Lebron Claims assert liabilities arising out of purported violations of Sanchez Lebron's "civil and constitutional rights," they should be disallowed.

7. For the foregoing reasons, the Debtors respectfully request the Court grant the Four Hundred Sixty-Fifth Omnibus Objection and disallow the Sanchez Lebron Claims.

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Dated: April 11, 2023
San Juan, Puerto Rico

Respectfully submitted,

/s/ Hermann D. Bauer

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